

#	Time-scale	Recommendation	Management response	Trust officer lead and deadline for completion
1. Board grip				
1	0 – 3	<ul style="list-style-type: none"> The Trust should agree the terms of reference for the Finance Committee to help establish its authority. 	<p>Agreed</p> <p>ToR approved at June 2014 Finance Committee pending minor amendments, action tracker for October Committee confirms amendments have been made</p>	<p><i>KR – Director of Corporate Services/Company Secretary</i></p> <p><i>October 2014</i></p>
2	3 – 6	<ul style="list-style-type: none"> The Finance Committee should receive a briefing from the Executives on service line maturity. 	<p>Agreed</p> <p>To include final report on service line maturity and recommendations for improvements to service line management. Will also include update on wider leadership team discussion and outputs from 19 September 2014.</p>	<p><i>PW – Director of Strategic Planning and Commercial Development</i></p> <p><i>Scheduled for Finance Committee meeting on 22 October 2014</i></p>
3	0 – 3	<ul style="list-style-type: none"> In discussion with the divisions, the Trust should devise a map and associated timetable of its meetings hierarchy so that the Board and divisions can clearly work towards a clear line of escalating meetings from service line meetings to the Board in one month's cycle. 	<p>Agreed</p> <p>This is in progress and will be presented at TMB for approval in November for ratification by the Trust Board in November 2014</p>	<p><i>KR – Director of Corporate Services/Company Secretary</i></p> <p><i>November 2014</i></p>
4	0 – 3	<ul style="list-style-type: none"> In discussion with the divisions, the Trust should agree a common agenda and schedule of business for the year that agrees with the operational business planning cycle. 	<p>Agreed</p> <p>Common agendas for Divisional and Corporate Delivery and Performance meetings have been agreed and implemented.</p> <p>Work plans for TMB and Board Committees were agreed with the ToR's and are KR – Director of Corporate Services/Company Secretary</p> <p>This is in progress and will be presented at TMB for approval in November for ratification by the Trust Board in November 2014</p>	<p><i>KR – Director of Corporate Services/Company Secretary</i></p> <p><i>November 2014</i></p>

#	Time-scale	Recommendation	Management response	Trust officer lead and deadline for completion
1. Board grip				
5	0 - 3	<ul style="list-style-type: none"> Finance should report a cashflow forecast over a 52 week rolling basis in line with best practice. 	<p>Not agreed.</p> <p>After 26 weeks a cash-flow forecast becomes significantly less reliable.</p>	<p><i>MA – Interim Chief Financial Officer</i> <i>Reported to Board 25 September 2014</i></p>
6	3 - 6	<ul style="list-style-type: none"> Finance should develop a more consistent format to its Board and Finance Committee reporting and within sections of its reports. For example, Finance should use the same sub headings to report the I&E position for the current month and YTD vs. the forecast for the year. Where possible, Finance should also help to present figures and variances in divisional or service lines terms and forecast all supplementary analyses, for example on premium pay. 	<p>Not agreed.</p> <p>This is a retrograde step as we have moved to tailoring each report to be fit for purpose for each Board or Committee.</p> <p>Agreed, subject to capability of Management Accounting systems and input from budget managers to forecast outturn process</p> <p>Service lines will be included in the budget 15/16 process.</p>	<p><i>MA – Interim Chief Financial Officer</i></p> <p><i>MA – Interim Chief Financial Officer</i></p> <p><i>Date : Trust Board February 2015</i></p>

#	Time-scale	Recommendation	Management response	Trust officer lead and deadline for completion
2. Financial corporate governance				
7	0 – 3	<ul style="list-style-type: none"> The Finance Committee should receive assurance that the budgets were signed off by the end of July. 	<p>Agreed, but will not be delivered as some budget sign off outstanding in September. Lessons learnt are being applied to Budget 15/16 preparation and approval.</p>	<p><i>MA – Interim Chief Financial Officer September 2014</i></p>
8	0 – 3	<ul style="list-style-type: none"> As part of its planning for FY16, the Trust should develop a comprehensive plan that sets out the tasks necessary to complete the operational planning and budget setting process by 31 March 2015. 	<p>Agreed</p> <p>Lessons learnt from 14/15 process are being applied to Budget 15/16 preparation, approval, and assurance.</p>	<p><i>MA – Interim Chief Financial Officer Detailed plan being prepared that will include approval by Trust Board February 2015</i></p>
9	0 – 3	<ul style="list-style-type: none"> The Director of Strategic Planning and Commercial Development should be the lead executive for its production and providing assurance to the Board (perhaps via the Finance Committee) that the Trust is meeting key milestones on time and to the requisite quality. The Director of Strategic Planning and Commercial Development should be closely supported by the Chief Financial Officer and Director of Operations. 	<p>Agreed</p>	<p><i>PW – Director of Strategic Planning and Commercial Development The process and timetable will be agreed and publicised in the Trust by 10 October 2014. Finance Committee to receive updates at all meetings for remainder of FY15. KR – Director of Corporate Services (re FC comment) Date</i></p>
10	3 – 6	<ul style="list-style-type: none"> As part of the budget setting process, Finance needs to develop a clear audit trail linking the finances to the operational assumptions and workforce resources. It should be shared with budget holders for their cost centres and be readily understood. 	<p>Agreed. Lessons learnt from 14/15 process are being applied to Budget 15/16 preparation, approval and assurance.</p> <p>This requires detailed and timely input from all other Directorates.</p>	<p><i>MA – Interim Chief Financial Officer This will be a continuously updated process throughout budget setting. Completion for Trust Board February 2015</i></p>

#	Time-scale	Recommendation	Management response	Trust officer lead and deadline for completion
2. Financial corporate governance				
11	0 – 9	<ul style="list-style-type: none"> Working closely with HR, Finance should use all available channels to attract high calibre candidates and develop their interest into positive applications for the roles available. For example, Finance should use its own external network to identify potential trainees. 	Review and refresh existing recruitment practices to ensure all options for successful recruitment are being utilised, including the use of Internet, external networks and recruitment campaigns and other development opportunities.	<i>KF - Director of Human Resources / MA – Interim Chief Financial Officer</i> <i>Date: End October 2015</i>
12	0 – 3	<ul style="list-style-type: none"> Working closely with divisional and service leads, Finance should produce a financial forecast for the Trust each month. 	Agreed and forecast outturn reporting is already in place. Finance will continue to develop this activity with input from divisional and service leads.	<i>MA – Interim Chief Financial Officer</i> <i>Date: under way</i>

#	Time-scale	Recommendation	Management response	Trust officer lead and deadline for completion
2. Financial corporate governance				
13	0-3	<ul style="list-style-type: none"> Procurement should set targets and milestones for achieving compliance with its purchase to pay procedures. It should report exceptions to the Finance Committee (or Audit and Assurance Committee) in addition to the divisions. 	<p>Currently approximately £30M spend out of a total of £134M is placed on purchase orders. This equates to only 22% of spend. Procurement have numerous tactics at their disposal to increase this percentage on the path to achieving full compliance.</p> <p>1) £63.7M of non-PO spend is with just seven suppliers. These are all -non-traditional suppliers such as Central Nottinghamshire Hospitals (PFI), Nottingham University Hospitals (Inter Trust Agreement), Ashfield District Council (Business Rates) etc. As non-traditional suppliers, purchase orders have never been raised. If additional purchase orders were raised for just these seven suppliers, our compliance rate would be up to 70% (£93.7M out of £134M).</p> <p>2) The key to increasing spend on purchase order is to work with suppliers to ask them to refuse any order that does not come with a formal purchase order. Procurement will write to all current suppliers asking them to work with us by declining purchases without a purchase order. We will inform them that invoices not supported by a purchase order will not be paid. The letter should be issued by the end of November 2014.</p> <p>3) Standing Financial Instructions have recently been updated and will be adopted at Board on 30th October 2014. Following this adoption, the Procurement team will be running a series of training events for Trust staff to bring them up to date on new procurement practice and procedure. Part of this training session will be dedicated to the need for Purchase Orders and the “no P/O, no pay” policy. The Procurement team will try to reach all Trust budget holders during these training sessions and they will be delivered by the middle of December 2014.</p>	<p><i>PW – Director of Strategic Planning and Commercial Development</i></p> <p><i>The letter should be issued by the end of November 2014</i></p> <p><i>Mid December 2014</i></p>

#	Time- scale	Recommendation	Management response	Trust officer lead and deadline for completion
14	0 – 3	<ul style="list-style-type: none"> The Trust should formalise a series of routine shift review meetings with wards so that senior nursing staff can assess and challenge the previous week's bookings per ward and next week's. Where we see this working well elsewhere it involves ward staff, divisional nurses and senior nursing staff from outside the divisions. 		<p><i>SB – Director of Nursing and Quality</i></p> <p><i>Date</i></p>
15	0 – 3	<ul style="list-style-type: none"> Finance should work closely with ward staff to cost rotas and forecasts. Finance should also contribute to discussions aimed at reviewing nursing cover. Can we re-word. Finance to work closely with e-rostering and bank team to calculate cost effective rotas and ward leaders to ensure accurate forecasting. 	Needs input from KF and SB to agree response	<p><i>SB – Director of Nursing and Quality</i></p> <p><i>Date</i></p>
16	0 – 6	<ul style="list-style-type: none"> Finance and nursing should work with Procurement to rationalise external agencies and rank their suitability from a finance and quality perspective. 	Procurement have recently appointed a Category Manager (Steve Whitehead) who is dedicated to non-clinical spend. This covers all agency, interim and consultancy assignments. Steve is currently running a project with Bank Office to rationalise the number of agencies. In future, all agencies will be sourced from a compliant framework and will be ranked as Tier 1, Tier 2 or Tier 3, based on cost and quality criteria. The agencies will be closely contract managed. Steve is mirroring this work on nurses with similar projects for Locum Doctors and Locum Allied Health Professionals. This will be a lengthy project but the new system should be in place for April 2015.	<p><i>PW – Director of Strategic Planning and Commercial Development</i></p> <p><i>April 2015</i></p>
17	3 – 9	<ul style="list-style-type: none"> Finance should develop and implement a tailored finance course for all ward leads to attend. Margaret agreed – we should implement financial management programme for ward leaders. Lee Radford, Training & Development, can work with one of your team, ? Neil Wilkinson, to action. 	<p>Agreed.</p> <p>Training and Development to work with Finance to develop financial management programme for ward leaders.</p>	<p><i>KF – Director of Human Resources / MA – Interim Chief Financial Officer</i></p> <p><i>Date: End December 2014</i></p>

#	Time- scale	Recommendation	Management response	Trust officer lead and deadline for completion
18	6 – 12	<ul style="list-style-type: none"> Finance should ensure that its control over posts does not become onerous to maintain. 	<p>Finance will provide decision support information. Control of posts rests with budget managers.</p> <p>Feedback from budget managers is that establishment records are now up to date.</p>	<p><i>Executive Team</i> <i>Happening now</i></p>
19	6 – 12	<ul style="list-style-type: none"> Finance should set itself an ambitious plan for implementing a SLM approach that reflects best practice. For example, working with clinical champions the plan should set out how the Trust will devise peer generated reports, produce ‘live’ data (at least monthly), incorporate quality metrics and standard budgets and take the Trust towards a Patient Level Information Costing System. 	<p>SLM will be pursued as a corporate priority in response to the commissioned report from OPL Associates – it will be jointly led by Operations, Finance and Strategic Planning. The Trust acknowledges that excellent financial service line reporting is an essential underpinning to successful SLM and will pursue this and PLICS vigorously.</p>	<p><i>PW to set the framework for implementation of SLM on the basis of the OPL Associates report.</i></p> <p><i>JT to ensure that service line leaders are identified and supported to fulfil their roles effectively and to ensure that non-financial information is available to help them in t heir roles.</i></p> <p><i>MA to ensure that the quality and effectiveness of financial service line reporting is further developed with the implementation of PLICS.</i></p> <p><i>Proposed implementation of PLICS mid 2015.</i></p>

#	Time Scale	Recommendation	Management Response	Trust officer lead and deadline for completion
3. Financial planning and position				
20	0 – 6	<ul style="list-style-type: none"> All members of finance with divisional and service line interactions should further help staff understand the finances of the Trust as a whole and the impact of business drivers on future finances. The Trust's SLR work should be used as a key vehicle for this engagement. 	<p>FPMs allocated to each Division and Newark are in place and have been actively carrying out their role for some months.</p> <p>Management accountants and FPMs work in a matrix to support continuous improvement in understanding.</p>	<i>MA – Interim Chief Financial Officer Happening now</i>
21	0 – 3	<ul style="list-style-type: none"> The Trust needs to address its CIP shortfall. It should develop a comprehensive plan to generating potential and realisable CIPs that addresses the short-term gap and likely long-term schemes. 	Detailed work has been under way for some time, supported by the establishment of the PMO.	<i>Executive Team. Happening now</i>
22	0 – 6	<ul style="list-style-type: none"> The Finance Committee should ensure that the Trust's pipeline of CIP schemes is refreshed on a regular basis and contains increasing levels of detail and certainty over its planning horizon. 	<p>There is a comprehensive assurance process in place, supported by the PMO, that includes these activities.</p> <p>Finance Committee actions must be consistent with its Terms of Reference, and not be confused with Executive actions.</p> <p>The Finance Committee is a committee of the Board who's membership consists of Non-Executive Directors, with Executive Directors in attendance including the CF</p>	<p><i>Executive team Happening now.</i></p> <p><i>KR – Director of Corporate Services/Company Secretary</i></p>

#	Time-scale	Recommendation	Management response	Trust officer lead and deadline for completion
3. Financial planning and position (cont.)				
23	0 – 6	<ul style="list-style-type: none"> The Finance Committee should also obtain assurance that the pipeline shows clear linkages to the Trust's enabling strategies that will help deliver those savings. 	<p>Finance Committee actions must be consistent with its Terms of Reference, and not be confused with Executive actions.</p> <p>The Finance Committees ToR's and work plan detail the responsibilities and accountabilities of the committee including scrutinising CIP delivery</p>	<p><i>KR – Director of Corporate Services/Company Secretary</i></p>
24	0 – 3	<ul style="list-style-type: none"> The Trust should stiffen its approach to tackling CIPs. The PMO Programme Board should make attendance by members compulsory and its terms of reference should also make explicit the escalation of unidentified CIPs to the Trust Management Board and Finance Committee as appropriate. 	<p>A refocus of the PMO has taken place so that managers are held closely to account for delivery. The Executive team takes CIP and forecast outturn as a standing agenda item.</p> <p>Forecast outturn including CIP delivery is now a separate Trust Board agenda item.</p>	<p><i>In place</i></p> <p><i>P o'C – Chief Executive</i></p> <p><i>8 September 2014 onwards</i></p> <p><i>MA – Interim Chief Financial Officer</i></p> <p><i>September Board onwards.</i></p>
25	3 – 6	<ul style="list-style-type: none"> The Finance Committee should also hold divisions more to account over non-achievement of CIPs. The Finance Committee needs to ensure its approach to these interactions is consistent with the Trust's wider work to engage positively with clinicians and avoids negative connotations or misinterpretation that devalues the Trust's commitment to Quality for All. 	<ol style="list-style-type: none"> Finance Committee actions must be consistent with its Terms of Reference, and not be confused with Executive actions. The second sentence is confusing – what is the evidence base for 'negative connotations'? <p>The Finance Committee is a committee of the Board who's membership consists of Non-Executive Directors, and therefore holds the Executive Directors to account for non-achievement of CIP's</p>	<p><i>KR – Director of Corporate Services/Company Secretary</i></p>

#	Time-scale	Recommendation	Management response	Trust officer lead and deadline for completion
3. Financial planning and position (cont.)				
26	3 – 9	<ul style="list-style-type: none"> In considering how to best flex its approach to performance management the Trust should use its assessment of service line maturity and performance to inform its approach . As a result, the Trust will also need to keep its service line maturity assessment 'live'. 	<p>Agreed</p> <p>Performance management arrangements will be re-designed in light of the SLM maturity assessment and resultant report.</p> <p>There will be clear improvement milestones built into the report that will keep the maturity assessment live.</p>	<p><i>PW – Director of Strategic Planning and Commercial Development</i></p> <p><i>Date: October 2014</i></p>
27	0 – 3	<ul style="list-style-type: none"> The Trust should incorporate the CIPs arising from Newton’s work into the work of the PMO. 	<p>Agreed.</p>	<p><i>JT – Director of Operations</i></p> <p><i>Happening now</i></p>
28	0 – 3	<ul style="list-style-type: none"> The PMO needs to rigorously ensure consistency in the data it manages. 	<p>Agreed. What evidence is there that this is not happening?</p> <p>FPM currently seconded to PMO in order to support financial analyses</p>	<p><i>MA – Interim Chief financial Officer</i></p> <p><i>Happening now</i></p>
29	3 - 12	<ul style="list-style-type: none"> The Trust needs to incorporate challenging targets in its CIP pipeline based on robust comparative measures. 	<p>Targets are incorporated in the 5 year financial plan. Budget 15/16 will incorporate a greater level of granularity than previously, with CIP schemes for 15/16 being developed in 14/15.</p>	<p><i>MA – Interim Chief Financial Officer</i></p> <p><i>Q4 2014/15</i></p>